representation, from July 2000 to June 2001, Ilytat made about at least 20 round trips in the Acorn International Select Fund in amounts of up to $3 million.

58. In addition, from September 1999 through October 2000, Ilytat also made more than 40 round trips (over 10 in 1999 and over 30 in 2000) in amounts of $100,000 or more in the Acorn International Select Fund, which went by the name Acorn Foreign Forty Fund at the time. This trading activity was contrary to the representation in the prospectus for the fund that traders would be restricted to four trades per year and further, that market timing would not be permitted.

59. From August 2000 through October 2000, Ilytat also actively traded in the Stein Roe International Fund, making over 80 round trips of up to $1.4 million during this three-month period. In addition, from April 2000 to September 2000, Ilytat actively traded in the Newport International Equity Fund, making approximately 19 round trips during this five-month period in amounts of up to $2 million. During the eight-month period from February 2002 to October 2002, Ilytat also made at least 10 round trips of up to $16 million in the Columbia International Equity Fund (formerly the Galaxy Equity Growth Fund).

60. Neither the Defendants nor the Columbia Entities disclosed to the investors or to the independent trustees of the Columbia Funds the arrangement with Ilytat or Ilytat's trading in the Columbia Funds.

B. Ritchie's Arrangement and Trading

61. From January 2000 through September 2003, Ritchie Capital Management, Inc. ("Ritchie"), a hedge fund manager, traded frequently in the Newport Tiger Fund and the Columbia Growth Stock Fund (formerly the Stein Roe Advisor Growth Stock Fund) ("Growth Stock Fund").

62. Ritchie made most of its trades in the Newport Tiger Fund. During the period from January 2000 through April 2001, notwithstanding the language in the fund's prospectus regarding the potential harm caused by short-term market timers, Ritchie made over 150 round trips. In addition, from May 2001 through September 2002, Ritchie made over 100 trades in the Newport Tiger Fund even though the prospectus included the Strict Prohibition representation during this period.

63. In late 2001, Hussey's direct report met with Ritchie's principals and discussed the possibility of a "sticky-asset" arrangement. More specifically, they discussed the possibility of Ritchie placing "long-term" assets in a fixed income fund "to offset their activity in Tiger." In an e-mail to Hussey, the subordinate summarized the proposal as follows: "we would need to see some money from them . . . if they were going to continue to use Tiger." At the time, Ritchie's $52 million position in the Newport Tiger Fund accounted for nearly 10% of its $525 million in assets.

64. In early 2002, Ritchie began negotiating with Columbia Distributor an arrangement to actively trade the Growth Stock Fund, a large cap fund, which by then included the Strict Prohibition disclosure in its prospectus. Ritchie proposed to place up to $200 million in the fund (which at that time had a total asset value of approximately $776 million), with the ability to trade up to $20 million every day. Shortly thereafter, Ritchie began trading in the Growth Stock fund, making five round trips in two months in amounts of up to $7 million.

65. In early 2003, Hussey traveled to meet with Ritchie's principals, and Ritchie entered into a "sticky-asset" arrangement with Columbia Distributor, approved by Tambone and Hussey, under which it agreed to place $20 million in the Growth Stock Fund, trade up to $2

million at a time with no limits on the number of trades per month, and place another $10 million in the Columbia Short Term Bond Fund as a "static" (non-trading) asset. Columbia Advisors' portfolio manager for the fund was involved in the negotiations and approved the arrangement. Overall, pursuant to its arrangements with Columbia Distributor and contrary to Columbia Advisors' Strict Prohibition representation in the fund's prospectus, Ritchie made approximately 18 round trips in the Growth Stock Fund from June 2002 through September 2003.

66. Neither the Defendants nor the Columbia Entities disclosed to the investors or to the independent trustees of the Columbia Funds the arrangement with Ritchie or Ritchie's trading in the Columbia Funds.

C. Stern's Arrangements and Trading

67. During late 2002 and early 2003, entities controlled by Edward Stern ("Stern") negotiated trading arrangements with Columbia Distributor through two intermediaries. In early 2003, Epic Advisors, on behalf of Stern's Canary Investment Management firm, entered into an arrangement with Columbia Distributor, approved by Tambone and one of his direct reports, under which Stern entities agreed to make investments in three funds (*i.e.*, the Columbia Growth & Income Fund, the Columbia Select Value Fund, and the Growth Stock Fund), totaling $37 million. Despite the fact that Columbia Advisors had included the Strict Prohibition disclosure in the prospectus for each of these three funds, the arrangement permitted Stern entities to make three round trips per month in each fund. Stern withdrew from the arrangement only a couple of weeks after making the investment.

68. In late 2002 or early 2003, Stern also entered into an arrangement with Columbia Distributor pursuant to which he placed $5 million in the Columbia High Yield Fund (the "High

Yield Fund"), a high-yield bond fund. Despite the fact that Columbia Advisors had included the Strict Prohibition disclosure in the prospectus for the High Yield Fund, Stern was permitted to make one round trip each month in the fund. The portfolio manger for the High Yield Fund approved the arrangement. During the period from November 2002 through July 2003, Stern made seven round trips in an average amount of $2.5 million.

69. Neither Tambone nor the Columbia Entities disclosed to the investors or to the independent trustees of the Columbia Funds the arrangement with Stern or Stern's trading in the Columbia Funds.

D. Calugar's Arrangement and Trading

70. In or around April 1999, Daniel Calugar ("Calugar"), an investor specializing in timing mutual funds, reached an arrangement with Columbia Distributor, approved by Hussey, allowing him to place up to $50 million in the Columbia Young Investor Fund ("Young Investor Fund"), a fund targeting investments by children with an "educational objective to teach children about mutual funds", and the Growth Stock Fund, with permission to make one round trip per month using his entire position. The portfolio manager for the funds approved the arrangement.

71. In May 1999, Hussey received notice that Calugar had made eight exchanges in the Growth Stock Fund since opening his accounts the previous month. Hussey expressed no concern about Calugar's frequent trading, and responded to the notice by giving instructions to ensure that he and his group received commission credit for Calugar's purchases. In June 1999, Hussey again sent an e-mail stating that he wished to be sure Calugar's purchases were credited on the sales report used to calculate commissions.

72. By the beginning of 2000, Hussey had learned that Calugar was continuing to

trade frequently and wrote to his subordinate, "This is getting ridiculous. We've got to slow the Calugar boys down." Shortly thereafter, however, in an e-mail to Tambone entitled "tactical asset allocators (aka 'timers')", Hussey referred to Calugar and D. R. Loeser among the "profitable relationships" he felt they could manage and said that "we feel we are making exceptional economic bets without disrupting portfolio management or inflating sales." Hussey testified that by "making exceptional economic bets," he meant "entering into relationships where we're generating management fee income for the firm." A month later, in another e-mail to his subordinate, Hussey stated, "Whoa, Nellie! I think this is getting a little out of control." Despite his expressions of concern, however, Hussey took no action to halt Calugar's trading, Tambone despite his notice of the arrangement took no action, and Calugar continued to trade.

73. In 2000, Calugar, on average, made more than one round trip every trading day in various of the Columbia Funds. Throughout the year, Calugar made over 200 round trips in the Young Investor Fund, placing trades of up to $2.3 million at a time, and during the four-month period from January 2000 through April 2000, he also made at least 13 round trips in the Stein Roe International Fund.

74. During the period from January 2000 through February 2001, Calugar also made nearly 70 round trips in the Growth Stock Fund, placing trades of up to $4 million at a time. Throughout 2000 and into January 2001, he also made approximately 20 round trips in the Newport International Equity Fund, in amounts of up to $6.6 million.

75. In early 2001, a surveillance manager informed Hussey that Calugar was making round trips every two days, in amounts of up to $3.5 million. Although Hussey suggested that the surveillance manager call Calugar and "fire a warning shot," he took no other action to halt

Calugar's trading. Calugar continued trading after adoption of the Strict Prohibition in the funds' prospectus disclosure in early 2001. He traded through at least August 2001.

76. Neither the Defendants nor the Columbia Entities disclosed to the investors or to the independent trustees of the Columbia Funds the arrangement with Calugar or Calugar's trading in the Columbia Funds.

E. Giacalone's Arrangement and Trading

77. In late 2000, Tambone approved a "sticky-asset" arrangement between Columbia Distributor and broker Sal Giacalone ("Giacalone"). Under the arrangement, Giacalone was allowed to make four round trips per month of up to $15 million in the Newport Tiger fund. In return, Giacalone was required to place $5 million in "long term assets" in Acorn Funds. The arrangement was approved by the head of the Newport Fund Group.

78. Notwithstanding the supposed terms of his arrangement and the language in the prospectus discussing the potential harm caused by short-term market timers, Giacalone made a total of 43 round trips in the Newport Tiger Fund during six months of trading from November 2000 through April 2001. During the first two months of 2001 alone, Giacalone made at least 30 round trips in amounts of up to $4.7 million.

79. In early 2001, a sales executive subordinate to Tambone halted efforts by Columbia Services timing surveillance personnel to stop Giacalone from making almost daily round trips in the Newport Tiger Fund. In an e-mail to the surveillance personnel who had ordered the halt, the executive stated, "Jim Tambone . . . agreed that Sal could utilize our Fund Family. I would suggest contacting . . . before canceling any trades. Trades should not be canceled." Although the Giacalone accounts were subsequently shut down, the interference

delayed the process and allowed a substantial number of additional trades to be made.

80. Neither Tambone nor the Columbia Entities disclosed to the investors or to the independent trustees of the Columbia Funds the arrangement with Giacalone or Giacalone's trading in the Columbia Funds.

F. D.R. Loeser's Arrangement and Trading

81. In late 1998, Hussey approved an arrangement with D. R. Loeser ("Loeser"), a registered investment adviser, allowing Loeser to make five round trips per month of up to $8 million in the Growth Stock Fund. Hussey approved the arrangement although a subordinate informed him that Loeser might previously have been barred from the funds because it had engaged in excessive trading. Although Hussey had expressed concern that an investment adviser such as Loeser "who trades an estimated 24-60 round trips per year is not our target," he concluded, "Let's accept the D.R. Loeser relationship." The President of the Stein-Roe fund complex, to which the Growth Stock Fund belonged at that time, and the Growth Stock Fund portfolio manager, both approved the arrangement.

82. In February 2000, Hussey sent an e-mail to Tambone referring to existing "profitable relationships" including Loeser. Neither Tambone nor Hussey took any action to halt Loeser's trading. During the first five months of 2000, Loeser made approximately 20 round trips in the Growth Stock Fund and another 20 round trips in the Young Investor Fund.

83. Neither the Defendants nor the Columbia Entities disclosed to the investors or to the independent trustees of the Columbia Funds the arrangement with Loeser or Loeser's trading in the Columbia Funds.

G. Signalert's Arrangement and Trading

84. Beginning in 1999, Hussey approved an arrangement with Signalert, a registered investment adviser. Initially, Signalert was allowed to invest $7.5 million in the Growth Stock Fund and $7.5 million in the Young Investor Fund, with the ability to make up to 10 round trips annually in each of these two funds. Under the arrangement, Signalert was also to place $5 million in each of six other funds, trading just once a quarter.

85. Hussey subsequently pushed to increase the size of Signalert's investments. He wrote to his immediate subordinate, "I thought I gave you the green light to go to $10 million in Growth Stock and Young Investor you pussy." In late 1999, as part of a "sticky-asset" arrangement, Signalert agreed to place an additional $10 million in the Growth Stock and Young Investor funds, and to invest and maintain other assets in a money market fund, thereby allowing Columbia Distributor to generate a management fee from those assets. In return, Columbia Distributor allowed Signalert to make up to 12 round trips per year in each fund. The portfolio manager for both funds approved this arrangement.

86. During the first 11 months of 2000, notwithstanding the supposed terms of the arrangement, Signalert made over 60 round trips in the two funds, one every one to two weeks. Columbia Services market timing surveillance personnel conveyed their concern about this trading to Hussey. In May 2000, surveillance personnel informed Hussey that during the first four months of 2000, Signalert had made twenty exchanges in the Growth Stock Fund and asked, "In light of our recent conversations about market timing, does this cause you any concern or is this acceptable 'asset allocation'?!" Hussey took no action and Signalert continued to trade.

87. Overall, during the period 2000-2001, Signalert made more than 50 round trips in

the Growth Stock Fund and approximately 50 round trips in the Young Investor Fund. Moreover, as of February 2001, Columbia Advisors had represented by way of the Strict Prohibition disclosures in the prospectuses for these funds that short-term or excessive trading would not be permitted. Yet, from February 2001 through August 2001, Signalert made 20 round trips in the Young Investor Fund. It also made over 20 round trips in the Growth Stock Fund from February 2001 through December 2001.

88. Signalert also began trading in four additional funds: the Stein Roe Income Fund (a bond fund), the Acorn Fund (a small to mid cap fund), the Galaxy Equity Value Fund (a large cap fund), and the Galaxy Growth & Income Fund. Despite the fact that the Stein Roe Income Fund and the Acorn Fund both included the Strict Prohibition representation in their prospectuses, Signalert made eight round trips in the Stein Roe Income Fund, all in the month of November 2001, and at least 15 round trips in the Acorn Fund during the period from March 2001 through February 2003. In addition, notwithstanding the fact that the two Galaxy funds generally limited investors to three exchanges per year, Signalert made approximately 23 round trips in the Galaxy Equity Value Fund and more than 25 round trips in the Galaxy Growth & Income Fund in a period of less than a year, from February 2001 through January 2002.

89. Neither Hussey nor the Columbia Entities disclosed to the investors or to the independent trustees of the Columbia Funds the arrangement with Signalert or Signalert's trading in the Columbia Funds.

H. Tandem's Arrangement and Trading

90. By early 2000, Tandem Financial ("Tandem"), an investment adviser, entered into an arrangement with Columbia Distributor. The arrangement permitted Tandem to make an

unlimited number of trades in one or more of the Columbia Funds. Overall, pursuant to this arrangement, during the period from February 2000 through September 2003, Tandem made more than 100 round trips in the Tax Exempt Fund.

91. During 2000, Tandem made approximately eleven round trips in the Tax-Exempt Fund. Starting in April 2001, the prospectus for the Tax Exempt Fund prospectus included the Strict Prohibition disclosure. Despite the disclosure, Tandem made 106 round trips during the period from April 2001 through September 2003.

92. In early 2003, a sales manager subordinate to Tambone intervened when Columbia Services sought to block Tandem from making any more trades in the Tax-Exempt Fund. She wrote to the Columbia Services market surveillance manager, "Tandem Fin'l . . . are[sic] an advisor that we have a very close relationship with. We definitely do not want to restrict them," and further stated that "there are certain relationships like Tandem that are allowed to time based on prior discussions." The market timing surveillance manager forwarded the e-mail to Hussey and asked to discuss the market timing with him. However, Tandem was allowed to continue trading in the Tax Exempt Fund up through September 2003.

93. Neither Hussey nor the Columbia Entities disclosed to the investors or the independent trustees of the Columbia Funds the arrangement with Tandem or Tandem's trading in the Columbia Funds.

94. In addition to the arrangements described above, Hussey actively considered others. For example, in Spring 2000, Hussey expressed willingness to approve an arrangement under which CIBC Oppenheimer would be allowed to make 25 round trips per year in the Growth Stock or Young Investor funds in exchange for "a minimum long term commitment of

$5 million to a Liberty fixed income product." Although Hussey expressed concern that "the perception by senior management may become that we're only about timers," he sent a memo to Tambone asking him to support the Oppenheimer proposal because of the "tangible benefits" it would bring.

95. Tambone and Hussey knew or recklessly disregarded that short-term or excessive trading caused potential and actual harm and disruption to the Columbia Funds. In addition to the knowledge set forth above, for example:

(a) In the spring of 2000, shortly after the peak of Calugar's trading in the Stein Roe International Fund, the fund's liaison with Columbia Distributor sent an e-mail to Tambone and others with a chart that he summarized as showing: "for the last 6 weeks . . . $142,018,026 has gone into the Fund and $134,935,372 has gone out. . . .These figures exceed the total size of the Fund!" He continued, "My goal here is to increase awareness of the magnitude of this problem and to get everyone involved working on a solution on a timely basis."

(b) In September 2002, in a report distributed to Hussey, Columbia Services stated that, "Despite the tools currently available to us, timers continue to disrupt fund performance and management as well as exaggerate sales figures."

(c) In October 2002, Tambone was copied on an e-mail in which a Managing Director of Columbia Advisors conveyed the impact that market timers was having on performance in the Newport Tiger Fund and stated, "This provides an example of how important it is to address these issues. . . it effectively steals money from one client and gives it to another."

96. Notwithstanding the concerns raised about the impact this excessive or short-term trading was having on the relevant Columbia Funds, Tambone and Hussey continued to allow such trading to take place.

Defendants Interfered With Efforts to Halt Short-Term or Excessive Trading

97. Tambone and Hussey recognized their obligation to act consistently with fund disclosure prohibiting short-term or excessive trading, and professed to want to prevent short-

term or excessive traders from investing in the Columbia Funds. For example, Tambone at an executives meeting in July 2001 stated that Columbia Distributor personnel would monitor known timers and "catch what they can." Hussey, meanwhile, helped lead a task force formed to create processes and procedures designed to detect and deter market timing in the Columbia Funds and he was the designated contact at Columbia Distributor for inquiries by the market timing surveillance personnel about apparent market timers and about the market timing policy at the Columbia Entities. As a result, market timing surveillance personnel came to Hussey with questions about how the policy should be interpreted in specific cases and what actions, if any, they should take with respect to apparent market timers.

98. In fact, however, on multiple occasions, Tambone and Hussey blocked or allowed their subordinates to block efforts to halt the trading activity of preferred customers. In addition to instances discussed above, Hussey, as the market timing surveillance contact, participated in creating a list of "Accounts Approved for Frequent Trading" (including Ilytat) against which surveillance personnel were instructed to take no action. As the market timing surveillance manager described procedures in an e-mail he forwarded to Hussey, "I review 3 different reports each day that reflect accounts fitting this criteria [the definition of market timers]. After these accounts are located, I take action against some of them. The accounts that are recognized as timers (that do not have some kind of existing relationship with us) merit trade cancellations and placement of account stops. The accounts that are allowed to trade (due to a sales relationship) are ignored."

99. Tambone resisted efforts to curb market timing. He expressed concern about the effect measures to curb timing would have on sales compensation. He also refused to change the

compensation structure for Columbia Distributor salespeople, insisting that the major part of their compensation remain based 100% on gross sales, rather than net sales.

The Fraud Remained Concealed Until September 2003

100. By engaging in the conduct described above, the Defendants and the Columbia Entities concealed from the investors and the independent trustees of the Columbia Funds the facts regarding the fraud. This fraud was also concealed from the Commission until September 2003, when Columbia Advisors responded to an inquiry from the Commission regarding possible market-timing activity in the Columbia Funds.

101. Prior to the response from Columbia Advisors in September 2003, the Commission received no information that would have alerted it to the fraud, which was self-concealing, or that would have triggered a duty to inquire into the possibility that the Defendants and the Columbia Entities were engaged in such a fraud. As a result, the Commission's lack of information about the fraud prior to its inquiry in September 2003 was not due to a lack of diligence on its part.

FIRST CLAIM
Fraud in the Purchase or Sale of Securities in Violation of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder (Tambone and Hussey)

102. Plaintiff Commission repeats and realleges paragraphs 1 through 101 above.

103. By engaging in the conduct described above, Tambone and Hussey, directly or indirectly, acting knowingly or recklessly, in connection with the purchase or sale of securities, by the use of means and instrumentalities of interstate commerce, or of the mails, or a facility of a national securities exchange: (a) have employed or are employing devices, schemes or artifices

to defraud; (b) have made or are making untrue statements of material fact or have omitted or are omitting to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) have engaged or are engaging in acts, practices or courses of business which operate as a fraud or deceit upon certain persons, in violation of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder.

SECOND CLAIM
Fraud in the Offer or Sale of Securities in Violation of Section 17(a) of the Securities Act (Tambone and Hussey)

104. Plaintiff Commission repeats and realleges paragraphs 1 through 101 above.

105. By engaging in the conduct described above, Tambone and Hussey, directly and indirectly, in the offer or sale of securities by the use of the means or instruments of transportation or communication in interstate commerce or by the use of the mails: (a) acting knowingly or recklessly, have employed or are employing devices, schemes or artifices to defraud; (b) have obtained or are obtaining money or property by means of untrue statements of material fact or omissions to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or (c) have engaged or are engaging in transactions, practices or courses of business which operate as a fraud or deceit upon purchasers of the securities, in violation of Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)].

THIRD CLAIM
Aiding and Abetting Columbia Advisors' and/or Columbia Distributor's Violations of Section 10(b) of the Exchange Act and Rule 10b-5 Thereunder (Tambone and Hussey)

106. Plaintiff Commission repeats and realleges paragraphs 1 through 101 above.

107. Columbia Advisors and Columbia Distributor, directly or indirectly, acting knowingly or recklessly, in connection with the purchase or sale of securities, by the use of means and instrumentalities of interstate commerce, or of the mails, or a facility of a national securities exchange: (a) have employed or are employing devices, schemes or artifices to defraud; (b) have made or are making untrue statements of material fact or have omitted or are omitting to state a material fact necessary to make the statements made, in the light of the circumstances under which they were made, not misleading; and (c) have engaged or are engaging in acts, practices or courses of business which operate as a fraud or deceit upon certain persons.

108. By virtue of this conduct, Columbia Advisors and/or Columbia Distributor have violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder.

109. Tambone and Hussey knew or recklessly disregarded that the conduct of Columbia Advisors and/or Columbia Distributor was improper and by engaging in the conduct described above, each knowingly rendered to Columbia Advisors and/or Columbia Distributor substantial assistance in this conduct.

110. As a result, Tambone and Hussey aided and abetted Columbia Advisors' and/or Columbia Distributor's violations of Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder.

FOURTH CLAIM
Aiding and Abetting Columbia Advisors' Violations of Sections 206(1) and 206(2) of the Advisers Act (Tambone and Hussey)

111. Plaintiff Commission repeats and realleges paragraphs 1 through 101 above.

112. Columbia Advisors was an "investment adviser" within the meaning of Section 202(a)(11) of the Advisers Act [15 U.S.C. § 80b-2(a)(11)].

113. Columbia Advisors, by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly: (a) acting knowingly or recklessly, has employed devices, schemes, or artifices to defraud; or (b) has engaged in transactions, practices, or courses of business which operate as a fraud or deceit upon a client or prospective client.

114. By virtue of this conduct, Columbia Advisors has violated Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. §§ 80b-6(1), (2)].

115. Tambone and Hussey knew or recklessly disregarded that Columbia Advisors' conduct was improper and by engaging in the conduct described above, each knowingly rendered to Columbia Advisors substantial assistance in this conduct.

116. As a result, Tambone and Hussey aided and abetted Columbia Advisors' violations of Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. §§ 80b-6(1), (2)].

FIFTH CLAIM
Aiding and Abetting Columbia Distributor's Fraud In Violation of Section 15(c) of the Exchange Act (Tambone and Hussey)

117. Plaintiff Commission repeats and realleges paragraphs 1 through 101 above.

118. During the period from early 1998 through August 2003, Columbia Distributor was a broker or dealer as those terms are defined by Section 3(a)(4) and (5) of the Exchange Act

[15 U.S.C. § 78c(a)(4),(5)].

119. During the period from early 1998 through August 2003, Columbia Distributor, by use of the mails or any means or instrumentality of interstate commerce, directly or indirectly, acting knowingly or recklessly, effected transactions in, or induced or attempted to induce the purchase or sale of securities (otherwise than on a national securities exchange of which it was a member) by means of a manipulative, deceptive, or other fraudulent device or contrivance.

120. Columbia Distributor disseminated mutual fund prospectuses that made untrue statements of a material fact or omitted to state facts necessary in order to prevent the statements made, in the light of the circumstances under which they were made, from being materially misleading.

121. By virtue of this conduct, Columbia Distributor violated § 15(c) of the Exchange Act [15 U.S.C. § 78o(c)].

122. Tambone and Hussey knew or recklessly disregarded that Columbia Distributor's conduct was improper and by engaging in the conduct described above, each knowingly rendered to Columbia Distributor substantial assistance in this conduct.

123. As a result, Tambone and Hussey aided and abetted Columbia Distributor's violations of Section 15(c)(1) of the Exchange Act [15 U.S.C. § 78(o)c].

PRAYER FOR RELIEF

WHEREFORE, Plaintiff Commission respectfully requests that this Court issue a Final Judgment:

I.

Permanently enjoining each of Tambone and Hussey from violating, directly or indirectly:

a. Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5 [17 C.F.R. § 240.10b-5] thereunder;

b. Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)];

c. Sections 206(1) and 206(2) of the Advisers Act [15 U.S.C. §§ 80b-6(1), (2)]; and

d. Section 15(c)(1) of the Exchange Act.

II.

Requiring Tambone and Hussey to disgorge their ill-gotten gains related to the violations, as well as prejudgment interest thereon;

III.

Requiring Tambone and Hussey to pay civil monetary penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)], Section 21(d)(3) of the Exchange Act [15 U.S.C. § 78u(d)(3)] and Section 209(e) of the Advisers Act [15 U.S.C. § 80b-9(e)] in an amount to be determined by the Court; and

IV.

Ordering such other and further relief as this case may require and the Court deems appropriate.

JURY DEMAND

The Commission hereby demands a trial by jury on all claims so triable.

Respectfully submitted,

SECURITIES AND EXCHANGE COMMISSION,

By its attorneys,

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